

## June 2, 2009 - Slaughter Testifies Before the International Trade Commission on Behalf of Buffalo Go

FOR IMMEDIATE RELEASE

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### Slaughter Testifies Before the International Trade Commission on Behalf of Buffalo Goodyear Tire Workers

Washington, DC - Congresswoman Louise M. Slaughter (D-NY-28), Chairwoman of the House Committee on Rules, today testified before the International Trade Commission (ITC) on behalf of workers at the Goodyear-Dunlop Tire plant in her district. Today the ITC met on a United Steelworker's petition to limit imports of certain passenger vehicles and light truck tires from China.

The full text of Rep. Slaughter's testimony, as prepared, follows:

Madame Chairman, members of the Commission, my name is Louise McIntosh Slaughter. I represent the people of the 28th district of New York, which includes Rochester, Niagara Falls, and parts of Buffalo. Goodyear-Dunlop Tires North America has a major facility in my district. On behalf of the over 1,000 workers at that facility as well as their families and neighbors I welcome the opportunity to appear before you today to express my strong support for the United Steelworkers' Section 421 petition on certain passenger vehicle and light truck tires from China.

When this petition as brought to my attention and I was able to examine the facts, I immediately thought that this is a "no brainer." If the surge in consumer tires and the adverse effect it has had on these American workers does not justify relief under the statute, then what will? I hope you will come to the same conclusion after what I know will be a thoughtful and thorough investigation.

In 2008, China exported nearly 46 million consumer tires with a value of more than \$1.7 billion. This was 215 percent more than the 2004 level of imports by volume and 295 percent more by dollar value.

In this period, domestic production of consumer tires declined by over 25 percent and the domestic industry's share of the U.S. tire market declined from 63 percent in 2004 to below 50 percent in 2008. Meanwhile, Chinese producers' share of the U.S. consumer tire market rose from less than five percent to more than 17 percent.

As an inevitable result, American plants closed and American workers were sent home with an uncertain fate. Over 4,400 workers lost their jobs during the four year stretch and an additional 2,400 face imminent job loss in 2009. These layoffs are coming during the worst economic crisis since the Great Depression, to the plight of these workers.

The bottom line is that it was no mere coincidence that these plant closings occurred over the exact same period as the flood of Chinese imports claimed an ever larger share of the U.S. market.

As I witnessed these disturbing trends, my heart is with the workers at the Goodyear-Dunlop plant in Buffalo. The plant opened in 1923. More than one thousand men and women work there producing a variety of tires including those that are the subject of this investigation. They are hardworking, skilled, productive employees who make high-quality products. Now they are looking at a very real possibility of job loss not because they cannot compete but because of an import surge from China causing market disruption - exactly the type of situation that Congress had in mind when Section 421 was adopted in 2000. Indeed, just last November, Goodyear announced that it was laying off 150 workers and scaling back production.

For these reasons, I support the USW's request for an annual import quota of 21 million consumer passenger tires for a three-year period. This would simply return imports from China to the 2005 level and thus give U.S. producers a chance to adjust. They can use this time to restore their operating income to reasonable levels and invest in needed plant and equipment upgrades and avoiding layoffs or shutdowns. This will not only help the workers in my district but also at tire manufacturing facilities throughout the country. They will all benefit from having a domestic source of high-quality, competitively-priced tires.

Madame Chairman, and members of the Commission, my district has seen more than its share of job losses as a result of unfair foreign competition and dumping. Once-great companies have downsized, moved to China and other countries, or simply closed their doors leaving people struggling to make ends meet. The ripple effect on small local businesses has resulted in even more job losses. We are told so often by economists, corporate executives, and political leaders from both parties how "free" trade is good for the country in a broad sense, even when particular regions or sectors are sacrificed.

Well, it is not good for the country as a whole if manufacturing continues on the current downward spiral- over four million jobs lost since 2001. Manufacturing provides high-wage, high-skilled jobs for millions of Americans. Manufacturing makes possible the creation of a strategic industrial base of products that are crucial to our national security. Manufacturing is a leading employer in thousands of communities across America. Restoring and sustaining a healthy manufacturing sector is essential for our long term national economic prosperity. A nation cannot be a superpower if it does not produce anything.

Trade remedies must be used in accordance with what those of us in the Congress spelled out for you without fear of retaliation when they are fairly applied. Trade remedies impact less than one percent of our trade in a typical year. However, these laws that provide redress against egregious foreign trade practices are a critical component for our economic recovery.

All nations rely on remedies to address distortions that are inevitable in a world where, every year, trillions of dollars worth of goods and services move between well over a hundred diverse countries at various stages of economic development. The World Trade Organization (WTO) was created not only to promote trade but also to ensure that rules that govern trade are available to all and mechanisms for settling disputes are as well. Essentially, trading nations have mutually agreed that there must be ways to ensure some level of fairness and to protect their citizens from potential economic catastrophe. Clearly, the 421 investigation before you is entirely consistent with U.S. rights under the rules of the WTO - rules agreed to by the China in 2000 as a condition for their accession to the WTO.

As Chairman of the House Rules Committee, I have been a student of rules governing the legislative process in the House of Representatives. We could not conduct the people's business with 435 Members representing a wide array of regions and interests unless there were rules of the road. Members will disagree about the substance of legislation and occasionally balk about the process. Yet, the fact remains that the House's business is conducted in a fair and orderly fashion and the rules that govern the House are taken seriously. The same principles should be applied to our nation's trade remedy laws in general and Section 421 enforcement in particular.

Section 421 was put in place with these principles in mind when Congress voted to extend Permanent Normal Trade Relations to China almost ten years ago. I opposed China's accession. I worried that the trade deficit with China, already disturbingly high, would continue to ramp up to extraordinary levels.

Section 421 was created for precisely the kind of import surges and the impact on jobs we see now in the domestic consumer and light truck tire market. In the case before you, the proper application of this statute will help save this important sector of our economy. The cost of not acting is too great. Earlier in this decade I watched as another company in the Buffalo area, Buffalo Color, fell victim to predatory trade practices. Buffalo Color was forced to close its door not because of an inferior product, or because it would not compete on a level playing field. It closed its doors because our own government failed to enforce our own trade laws and provide relief from dumping that they deserved.

I want to be able to go back to my district and the people at that Goodyear-Dunlop plant in Buffalo and tell them that this time the rules of trade have been fairly applied for their benefit. I urge you to make an affirmative determination and recommend the remedy requested to President Obama who campaigned with the promise that our trade laws would be vigorously enforced. If you do your part, I have faith that he will do his.

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